

this is rather technical part of it, Section 1 provides that the cost of the retired actuary report, which is to be made at least once every five years, be paid for by the city. Section 2, in subsection (2), paragraph (c), changes the age of the minor children who may receive benefits from age 18 to the age of majority, which is 19. Section 3 clarifies that all costs incurred with the administration of the retirement system shall be paid by the city. Section 4 provides that the retirement committee members shall be reimbursed for their actual and necessary expenses. Section 5 clarifies that the city, with the approval of the retirement committee, will contract with an investment manager. In subsection (2), the retirement committee is required to establish an investment plan which permits each firefighter to self-direct investment of his or her employee contributions. Some first class cities allow self-directing, and this would change and clarify the process. That was one of the unknowns that was a problem through the years, and consistent with the current practice in the State Employees Retirement System. Section 6 required the retirement committee to organize, hold regular quarterly meetings, and keep a record of their meetings. And Section 7 analyzes the analysis of the investment return for the Firefighters Retirement System. Section 7 also requires the city and the retirement committee to develop a schedule of investment costs chargeable to each of the accounts. And to bring you up a little bit on the need of this bill is prior to 1984, the pension for the firefighters was a defined benefit plan. Then in the 1983 session of the Legislature, LB 531 was passed and briefly converted the first class city firefighter pension plan from a defined benefit to a defined contribution plan. I might tell the body that this bill took a lot of compromise from the League of Municipalities, and from the firemen, and many, many conference calls, and many, many meetings. And I think now that we do have a good bill. I might also mention that the firemen had a couple of other provisions; one was past interest on workman comp and I discouraged them from pressing forward with that. So I am comfortable that now we have a bill that can be supported I think by the League and by the firemen. We have eliminated or what progress they said that was made in the unfunded liabilities that was the reason for shifting of these plans back at that time. LB 672 makes it clear now that the administrative costs will be administered by the first class...the cities, and there are 11 cities affected by the bill. The cities, when they made the conversion, was required to make contributions in what they call an unallocated account in order to cover minimum